that Government of Orissa has on 1-11-1991 entered into a Memorandum of Understanding with Dr. Swraj Paul of Caparo Group to set up an integrated steel plant in Orissa. The new Industrial Policy announced in July, 1991 has removed "Iron & Steel" from the list of industries reserved for the public sector and also exempted it from the requirements of compulsory licensing. Entrepreneurs are free to set up units of any capacity provided that the location is not within 25 Kms of a city having a population of more than 10 lakhs as per the 1991 census.

Establishment of Mini Steel Plants

2641. SHRI SURENDRA SINGH THAKUR: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the mini steel plants are proposed to be established in the iron ore rich area like Baster etc;

(b) if reply to (a) be in affirmative, what steps Government have taken for the development of industries based on iron ore in the iron ore rich areas which are still industrially backward;

(c) whether Government propose to open the avenues for private sector for better and cheaper products and industrial development of these areas; and

(d) if so, the manner in which Government propose to enlist the co-operation of private sector in these areas?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV): (a) to (d) A number of sponge iron and pig iron plants are under implementation or proposed to be implemented in or around the iron ore rich areas of Madhya Pradesh. The new Industrial Policy announced in July, 1991 has removed 'Iron and Steel' from the list of industries reserved for the public sector and also exempted it from the requirements of compulsory licensing under the Industries (D&R) Act, 1951. Ferro alloys, Pig Iron and Sponge Iron and Pelletisation have also been included in the list of high priority industries where automatic approval will be given for investment upto 51 per cent foreign equity if the foreign equity covers the foreign exchange requirement for import of capital goods. Private entrepreneurs are now free to set up iron and steel plants of any capacity. Government approval is required only if the plant is proposed to be located within 25km from the periphery of the standard urban area limits of a city having a population of more than 10 lakhs according to the 1991 census.

As regards the development of backward areas, Government have announced a scheme in June, 1988 for setting up growth centres for promoting industrialisation of backward areas. 70 such growth centres are proposed to be set up during the VIII Plan period. Each growth centre will have basic infrastructural facilities for which Rs. 25 to 30 crores will be provided jointly by the Central Government, State Governments and Financial Institutions. Madhya Pradesh has been allotted six such growth centres, one of which would be set up in the iron ore rich area at Borai in district Durg.

Indian Iron Steel Company

2642. DR. SANJAYA SINH: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the Burnpur Works of the Indian Iron and Steel Company is expected to earn a net profit of about Rs. 4 crore by the end of the current financial year;

(b) if so, what are the details in this regard;

(c) whether the Burnpur Works of the Indian Iron and Steel Company are also proposed to be modernised;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?